

Message Text

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C O N F I D E N T I A L BUCHAREST 5153

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E.O. 11652: GDS
TAGS: TECH, ENRG, RO
SUBJ: US EXPORT DECISION ON HYDROGEN SULFIDE COMPRESSORS
TO ROMANIA
REF: (A) STATE 132504, (B) BUCHAREST 0720, (C) STATE 6903

1. FOLLOWING ARE OUR VIEWS FOR YOUR BACKGROUND USE ONLY IN PURSUING COMPRESSOR PROBLEM WITH OES AND ERDA.
2. WE BELIEVE NOT ONLY TIMING AND STYLE ARE IMPORTANT IN COMMUNICATING US POSITION TO ROMANIANS ON HYDROGEN SULFIDE COMPRESSORS, BUT MORE FUNDAMENTALLY THERE IS A NEED FOR THE WHOLE RATIONALE BEHIND SUBSTANCE OF THE POSITION AS EXPRESSED REF A PARAS 9-10 TO BE FURTHER DEVELOPED.
3. WE DOUBT THAT MERE LINKAGE OF COMPRESSOR CASE TO US POSITION ON SENSITIVE TECHNOLOGIES WOULD BY ITSELF BE SUFFICIENT EXPLANATION TO ROMANIANS IN VIEW OF THE POSITIVE POLICY FRAMEWORK WE HAVE ADOPTED IN PAST TOWARD THE ROMANIAN NUCLEAR POWER PROGRAM. ITS LARGER SIGNIFICANCE AS EXPRESSION OF NON-PROLIFERATION POLICY WOULD BE TOTALLY LOST ON ROMANIANS IF THEY INSTEAD SUSPECTED A KIND OF US-CANADIAN COMMERCIAL COLLUSION IN WHICH WE WOULD SELL THEM HEAVY WATER, BUT NOT THE MEANS FOR DOMESTIC PRODUCTION.

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4. THE ROMANIAN NUCLEAR POWER PROGRAM IS OF HIGHEST STATE PRIORITY, AND WE HAVE NO REASON NOT TO BELIEVE CEAUSESCU CONTINUES TO SEE THE DEVELOPMENT OF A PEACEFUL-USES-NUCLEAR RELATIONSHIP AS AN ESSENTIAL ELEMENT OF US-ROMANIAN BILATERAL RELATIONS. IN THE ABSENCE OF ANY INDICATIONS TO THE CONTRARY WE ASSUME ROMANIA'S PLACE IN EAST-WEST POLITICAL RELATIONS IS NO LESS IMPORTANT TO US POLICY THAN BEFORE, AND THAT THEREFORE

IT REMAINS IMPORTANT FOR WASHINGTON TO TAKE THESE ROMANIAN PERCEPTIONS ACTIVELY INTO ACCOUNT. CONSEQUENTLY, WE BELIEVE IT IMPERATIVE THAT A DETAILED EXPLANATION AND A CONSISTENT RATIONALE ACCOMPANY ANY US ARGUMENT THAT HOPES TO BE CONVINCING OR EVEN MODERATELY PERSUASIVE TO PRESIDENT CEAUSESCU, AND WHICH WOULD NOT OCCASION SUSPICIONS OF BAD FAITH OR INTENTIONAL MISREPRESENTATION.

5. FIRSTLY, WE FEAR GREATEST WEAKNESS IN US-POSITION IS REVEALED BY CASE OF INDIAN AND WEST BERLIN COMPRESSOR MANUFACTUER (REF A). DESPITE INCLUSION OF HEAVY WATER TECHNOLOGY ON COCOM LIST, THERE IS NO REASON APPARENT TO US WHY COMPRESSOR SHOULD NOT BE MADE AVAILABLE TO ROMANIA, AS PREVIOUSLY TO INDIA, UNDER CONDITIONS OF STRONG AND EXPLICIT END-USE ASSURANCES AND SAFEGUARDS. AN OFFER ON THESE TERMS WOULD IN FACT APPEAR DESIRABLE EXERCISE OF US REQUIREMENT FOR NON-EXPLGHIVE-USE ASSURANCES AND A SENSIBLE RESPONSE TO ROMANIA'S OWN DECLARED COMMITMENT TO NON-PROLIFERATION.

6. OUR SECOND POINT RELATES TO THE PAST ENCOURAGEMENT USG HAS GIVEN TO ROMANIA. THIS ENCOURAGEMENT HAS ADMITTEDLY BEEN MOST CAUTIOUS, BUT NEVERTHELESS WAS EXPRESSED AS A POLICY OF "NO OBSTACLES" TO ROMANIAN DEVELOPMENT OF DOMESTIC POWER PROGRAM. FURTHERMORE, ROMANIANS AT OUTSET OPENLY SOUGHT ADVANCE CLARIFICATION FROM US THAT COMPONENTS OF US ORIGIN, OR THOSE INVOLVING US LICENSES, WOULD NOT BE EMBARGOED AT SOME LATER STAGE CRUCIAL

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IN DEVELOPING FULL REPEAT FULL DOMESTIC NUCLEAR POWER CAPABILITY. AT THAT TIME (E.G. KRATZER/GLIGA MEMCON, 2/20/76) US EXPLAINED THAT WHILE BLANKET ADVANCE ASSURANCES PRESENTED DIFFICULTIES BECAUSE OF US LAW (E.G. CFR 810), THE ROMANIAN CASE WAS NEVERTHELESS BEING CONSIDERED WITHIN A "POSITIVE POLICY FRAMEWORK." HEAVY WATER PRODUCTION TECHNOLOGY WAS IDENTIFIED AS SENSITIVE AT THE TIME, BUT WE DO NOT RECALL THAT THE ROMANIANS HAVE EVER BEEN TOLD IT WOULD BE TOTALLY DENIED, EVEN TO THE EXTENT OF 1/5 SCALE EQUIPMENT FOR EXPERIMENTAL FACILITY. IF DENIAL WERE "INEVITABLE," (REF A) COCOM ACTION SHOULD HAVE BEEN TRIGGERED AUTOMATICALLY AND PROMPTLY ON RECEIPT OF SUPPLIERS EXPORT LICENSE REQUEST, AND THE DISCUSSION BROUGHT TO A CLOSE. INSTEAD, THIS TOPIC HAS BEEN UNDER CONSIDERATION SINCE AT LEAST MAY 1976 WHEN RAISED BY URSU IN WASHINGTON. IF CASE HAS TRULY BEEN "CONSIDERED" OVER THIS EXTENDED PERIOD, THOSE ARGUMENTS WHICH EXCLUDE ANY POSSIBILITY OF EXPORT EVEN WHEN CONDITIONED BY END-USE ASSURANCES OUGHT TO BE PROVIDED YOU IN SUPPORT OF A REASONABLE DEFENSE OF US POLICY.

7. OUR THIRD POINT DRAWS ON ELEMENTS OF THE FIRST TWO. THE USG HAS DECLARED ITSELF AS NOT POSING OBSTACLES TO ROMANIA'S DEVELOPMENT OF PEACEFUL NUCLEAR POWER, AND IN PARTICULAR, AS

NOT POSING AN OBSTACLE TO CONCLUSION OF ROMANIAN/CANADIAN BILATERAL. OUR MAIN COMMITMENT IN THIS REGARD HAS BEEN TO UNDERTAKE TO IDENTIFY US COMPONENTS OR MANUFACTURING TECHNOLOGIES WHICH MIGHT BE PROBLEM AREAS. FOR A VARIETY OF REASONS, WE HAVE NOT DONE THIS, NOR EVEN EXPLAINED OUR POSITIONS SUFFICIENTLY TO DEMONSTRATE THE SERIOUSNESS OF OUR OWN POLICY. FROM THIS PERSPECTIVE, EXPORT DENIAL OF THE COMPRESSORS CLEARLY APPEARS AS US OBSTACLE TO DEVELOPMENT OF ROMANIAN POWER PROGRAM, EVEN IF NOT TIED TO GOC/GOR BILATERAL. AT WORST, IT MAY E SEEN AS ISOLATED BUT CRUCIAL EXAMPLE OF A DECISION REACHED WITH ONLY SUPERFICIAL REFERENCE TO OUR POSITIVE POLICY FRAMEWORK. IN OTHER WORDS, IF THIS DECISION IS CONVEYED TO CEAUSESCU WITH NO MORE INFORMATION THAN CURRENTLY AVAILABLE TO EMBASSY, IT RUNS UNNECESSARY RISK OF APPEARING AS A NEGATIVE POLITICAL SIGNAL.

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WE ARE ALSO CONCERNED THAT IT MAY BE FURTHER MISINTERPRETED AS CARRYING A NEGATIVE MESSAGE ABOUT OUR BILATERAL RELATIONS GENERALLY, RATHER RHAN REFLECTING INTERNATIONAL TREND IN NUCLEAR POLICY.

8. ACTION SUGGESTED: (A) WE RECOMMEND THAT OES/ACDA/ERDA RE-EXAMINE DESIRABILITY OF EXPORT OF 1/5 SCALE COMPRESSORS IN CONTEXT OF STRONG END-USE ASSURANCES AND SAFEGUARDS IN FURTHERANCE OF US NON-PROLIFERATION POLICY;
(B IF EXPORT DECISION IS UNALTERABLE, REQUEST FULL EXPLANATION

FROM OES, AND REQUEST DEPARTMENT WORK OUT DOCUMENTED POLICY STATEMENT FOR USE WITH ROMANIANS THAT DETAILS THE EXTENT OF US EXPORT EMBARGO ON HEAVY WATER TECHNOLOGY.

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